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C O N F I D E N T I A L PANAMA 001722

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TAGS: [PGOV](#) [PREL](#) [ETRD](#) [PM](#)
SUBJECT: PANAMA: FORMER PRESIDENT MOSCOSO COMES TO LUNCH

Classified By: Ambassador William A. Eaton. Reason: 1.4 (d).

Summary

¶1. (C) "The opposition must unite if it is to have a chance at defeating the (governing Revolutionary Democratic Party) PRD," former President Mireya Moscoso on October 29 during a lunch hosted by Ambassador at his residence. Alberto Vallarino would be opposition's best candidate, though she was not overly enthusiastic in her support for this heavy hitting businessman and former presidential aspirant and was fully aware of his shortcomings. Moscoso fingered former President Guillermo Endara and Ricardo Martinelli as the biggest obstacles to opposition unity. "One can negotiate though with Endara, but not with that 'loco' (Martinelli)," she said. Somewhat frustrated, Moscoso perceived a leadership vacuum both within the governing PRD and the opposition. "Nobody's leading this country. The economy is going gangbusters, true. But nobody -- definitely not (President) Martin (Torrijos) -- is holding the reins. Yet nobody in the opposition appears ready to want to grab those reins." Moscoso is clearly on the march within the opposition ranks actively striving to help determine who will be the opposition's (read: the Panamenista Party's and its allies') eventual presidential candidate. End summary.

Vallarino: Opposition's Best Shot

¶2. (C) Dismissive of fellow Panamenista party member Marco Ameglio's presidential campaign ("He's going nowhere and has no shot.") and disdainful of Panamenista Party President Juan Carlos Varela's desire to be president ("He has failed to lead the party; he doesn't do the work of the opposition, that is to oppose."), Moscoso clearly stated her preference for recently re-enlisted Panamenista and heavy-hitter businessman Alberto Vallarino. Moscoso's enthusiasm for Vallarino was tempered: "He's fickle," "He lacks the human touch, that ability to connect with people on the campaign trail," and "Too often, he's remote and cold." While she said that Vallarino told her that he was committed to giving his all to campaign for president, Moscoso said that Vallarino had made a commitment to her to run for president and not step down as he did unexpectedly in 1999. Moscoso also complained that Vallarino was doing little to get out on the campaign trail now. "I organize events for him to re-introduce him to the party 'bases' -- for example, a dinner in Colon or a meeting in Boquete -- but he refuses to go." When he campaigned in 1999, Vallarino at one meeting with constituents had to be pressed to do what for most

politicians was natural following a speech: grip and grin by mixing it up with the meeting's attendees. "Polls do not count for anything; flesh and bone encounters and support count," Moscoso said. In 1999 though, Vallarino got caught cleaning his hands with handi-wipes, the former president recounted. "A politician cannot be afraid engaging the public personally. I used to come in off the campaign trail with rough hands from all the shaking and red checks from all the kissing."

PRD's Best Option: Balbina Herrera

13. (C) Minister of Housing Balbina Herrera, according to Moscoso, would be the PRD's best candidate. "She has the human touch and is a natural politician." Indeed, Moscoso said Herrera would defeat Vallarino in a head-to-head race. "Watch out with Balbina. Ask the wrong question or prod her the wrong way and the old Balbina will quickly emerge." Still part of the PRD's "tendency" (tendencia) faction, Balbina's national, leftist, and aggressive side was still just below the surface. "Remember that it was Balbina who organized the protests against former President George H. W. Bush. Current First VP and FM Samuel Lewis was "finished," she asserted. "He botched the (U.S.-Panama) trade agreement." She added that it was beneath Lewis' dignity to chauffeur PMG to the meeting last month of the PRD Directorate. Regarding current Panama City Mayor (and Lewis' cousin) Juan Carlos Navarro, Moscoso said, "He wants to be president too badly. That's his problem." He threatened Torrijos' camp followers and was not trusted by the PRD's mid-rank party bosses.

Biggest Obstacles to Opposition Unity

14. (C) "(Former President Guillermo) Endara and (Democratic Change (CD) Party President Ricardo) Martinelli are the biggest obstacles to opposition unity," the former president asserted. "To beat the PRD, the opposition must be unified." It was possible to deal and negotiate with Endara; "Just be careful what deals you strike with his wife, Ana Mae." In the end though, Moscoso assesses that Endara would do what was right for the opposition. She also added that Endara had no money and no party structure to mobilize support. "That loco, Martinelli, is another matter. He's got deep pockets and a sharp tongue. He's nothing more though than a neo-liberal Chavez." Without a real party of his own, Moscoso said that she did not believe that Martinelli would be able to win the elections, but he could damage the opposition's prospects of unseating the PRD. "If Varela runs as Martinelli's vice presidential candidate, the opposition will be finished. Panamenistas will not support Varela in such circumstance."

PMG, TPA and Torrijos

15. (C) "Torrijos is the sole person to blame for Pedro Miguel Gonzalez (PMG)," Moscoso said. (Note: Gonzalez, elected President of Panama's National Assembly on September 1, is under federal indictment on five counts in connection with the 1992 murder of a U.S. serviceman.) Torrijos encouraged PMG, allowed him to get out of control, and failed to stop his election, according to the ex-president. "Torrijos was only thinking of this party, not the impact Pedro Miguel's election would have on Panama, all of it." Now, PMG was being used by populist, nationalist, and anti-American elements within the PRD. "Pedro Miguel is weighing running for President of the PRD and might even be considering running for President of Panama," Moscoso said. "The Venezuelans are working with him. Hopefully, we are not seeing the rise of another Chavez." (Comment: Post has no evidence to corroborate that PMG is working with PMG.) PMG's election, Moscoso said, had put the U.S.-Panama Trade

Promotion Agreement (TPA) in jeopardy. "My administration worked hard on this agreement, that's why I sent a letter to U.S. congressional leaders urging them to approve this treaty." Nonetheless, Moscoso she fully understood why U.S. Senators and Representatives would be reluctant to vote for the TPA while a "terrorist" headed Panama's legislature.

Comment

16. (C) Moscoso -- La Dona as she is affectionately and not so affectionately known in Panama -- was frank in her comments, tough in her analysis, and clear about her intention to shape the opposition. She appeared to be frustrated that the opposition was not better positioned to capitalize on what she perceived to be the lack of leadership by Torrijos, absence of serious PRD contenders (other than Herrera), and the Torrijos Administration's recent missteps. Moscoso also appears to be interested in a serious dialogue with the Embassy in general and the Ambassador in particular.

Prior to this meeting, post passed the message that the Embassy would not seek to publicize this meeting, had no objection should Moscoso wish to do so, but asked that comments be kept to a minimum. The word back: Moscoso would not want much, if any, publicity from this meeting, and welcomed the opportunity to establish a strong relationship with the Ambassador as Panama entered a more political period. News of this lunch hit Panama's newspapers' rumor columns now (October 30); it is helpful that the political set knows about the meeting. The Embassy will be looking, however, to see if there is more significant press as a keep factor in assessing how serious La Dona is in serious relationship with the Embassy.

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